

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 5th September 2011
Report of: Strategic Director - Places
Subject/Title: Cheshire and Warrington Local Investment Plan 2
Portfolio Holder: Councillor Jamie Macrae, Portfolio Holder for Prosperity

1.0 Report Summary

- 1.1 In 2010, there was a requirement by the Homes and Communities Agency for Local Authorities, in consultation with Registered Providers, to develop a Local Investment Plan (LIP) for their sub-region. Whilst revision of the LIP is optional not mandatory, the Cheshire and Warrington Sub Regional Leadership Board has taken the strategic decision to develop a second LIP which builds on the original document, responding to the radical changes in the policy and financial environment for housing which have emerged over the last twelve months. It demonstrates through an innovative sub regional framework and associated actions how housing can contribute to the economic growth across the sub region as well as meeting other housing priorities.

2.0 Decision Requested

- 2.1 This report asks Members to approve the Housing Local Investment Plan 2.

3.0 Wards Affected

- 3.1 All wards

4.0 Local Ward Members

- 4.1 All Local Ward Members

5.0 Policy Implications including – Carbon Reduction - Health

- 5.1 The Local Investment Plan will inform the developing local Housing Strategy for Cheshire East.
- 5.2 The Cheshire East Economic Strategy has been a key document which has informed the development of the Local Investment Plan.

6.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 6.1 The Local Investment Plan sets out the specific priorities for housing investment over the period 2011/12 – 2013/14. Priorities within the plan for the three local authorities support our housing ambition to provide a range of housing solutions to support economic growth, provide decent homes, affordable housing and the regeneration of some of our neighbourhoods.
- 6.2 There have been no assumptions made within the LIP on the level of finance required by each authority. A report to the Cheshire and Warrington Sub Regional Leadership Board recommended that that Local Authority Leaders and Chief Executives agree how best to bring appropriate resources to bear to replace the significant loss of Government subsidy for affordable housing, through measures such as donating or deferring land value, reinvesting a proportion of the New Homes Bonus where available, accepting an appropriate level of re-let conversions from social rent to affordable rent, and/or reinvesting Right to Buy and Disposal receipts. This recommendation was agreed.
- 6.3 The framework outlines opportunities for bringing forward new mechanisms to increase the provision of housing including the option of developing a number of new innovative sub regional approaches. These are concepts which are currently in development and further reports will be brought forward once the detail is known, including implementation costs.

7.0 Legal Implications (Authorised by the Borough Solicitor)

- 7.1 The Homes and Communities Agency (“HCA”) was formed under the Housing and Regeneration Act 2008. Broadly, its objects were defined as the improvement of the supply and quality of housing, securing the regeneration or development of land or infrastructure, supporting the creation, regeneration or development of communities or their continued well-being, and contributing to the achievement of sustainable development and good design, all in relation to England and the needs of people living in England.
- 7.2 Central Government announced its intention in October 2010 to reform the Homes and Communities Agency for Local Authorities, the national housing and regeneration agency for England. Nonetheless it retains for the time being its status, objects and powers.
- 7.3 In 2009, the HCA had introduced a process known as the “Single Conversation” as a new method of transforming the way in which housing and regeneration are delivered, including housing, infrastructure, regeneration and community activities. A guidance document was produced outlining the development of Local Investment Plans as part of the “Single Conversation”. The Local Investment Plan was intended as a method of dealing with issues such as targeting of funding.
- 7.4 The HCA has subsequently commented on its website: “We anticipate that some of the Local Investment Plans will be revised and update to ensure that they remain fit for purpose. It is a matter for local authorities whether and when to update local

investment plans and any further engagement with the HCA in the local investment planning process will be at the request of local authorities.

- 7.5 Therefore, whilst there is no legal requirement to revise the original LIP, merely a discretion, the development of an updated version accords with the decision of Cheshire and Warrington Sub Regional Leadership Board and also accords with the current guidance from the HCA.

8.0 Risk Management

- 8.1 The Local Investment Plan has been developed on a sub regional basis in order to attract investment to the sub region and increase housing supply. Failure to present a coherent offer to investment partners could lead to investment going elsewhere in the region or sub region.

9.0 Background and Options

- 9.1 The second Local Investment Plan has, as before, been developed by the three Local Authorities and the Homes and Communities Agency, in consultation with the Cheshire and Warrington Housing Alliance, the LEP and other stakeholders. The document sets out the Plan's objectives and the new framework for housing intervention.
- 9.2 The development of this LIP has been achieved during a period of unprecedented change in the national and international economy, and equally substantial financial and public policy changes at the sub-regional and local level. This document reflects these changes and sets out how we intend to develop new innovative ways of working, financing and delivering housing supply, which will support economic growth.
- 9.3 Research has been drawn together which demonstrates that there is a clear relationship between the growth of the economy and the need for an expanded and a more diverse housing supply. This is compounded by the ageing population, which requires a new enhanced housing supply to encourage an inflow of younger, economically active workers into the sub region.
- 9.4 The LIP highlights the need to link economic and housing policy in order for public and private sectors to work together to support growth and meet needs. These linkages will also provide a mechanism to involve major employers in identifying the housing blockages to economic growth and to provide solutions involving local authorities, housing agencies and the HCA.
- 9.5 As stated within the LIP, Cheshire and Warrington provides significant investment opportunities, which are outlined within in the sub-regional growth strategy. The LIP clearly links into this ambition, focusing on the key urban settlements identified for growth. These include Chester, Weaver Valley, Ellesmere Port and Neston, Crewe Macclesfield and Warrington.
- 9.6 The Local Investment Plan details the interventions which will enable us to:-
- increase the provision of all forms of housing including the provision of affordable housing to support the economy.

- Make the most effective use of land in public ownership – to support housing delivery and regeneration work, and to deliver sustainable communities.
- Enable development in key locations – This comprises investment in master planning, infrastructure and site pre-development works, focussed on each of the priority locations.
- Meet the needs of a changing demographic base.

9.7 Whilst the key focus of the LIP is supporting economic growth, it also recognises that we have areas of need and deprivation which require intervention. A number of other key housing priorities have also been identified to ensure we continue to meet the needs of our communities and these are as follows:

- Improving existing housing - delivering decent homes across all sectors.
- Improving and regenerating the private rented sector.
- Meet the needs of all sections of the community – focusing on the needs of our growing numbers of older people, homelessness, Gypsies and Travellers and providing student accommodation.
- Bringing empty homes back into use

9.8 Over the last eighteen months, sub-regional governance has been strengthened through the development of the Leadership Board and the LEP. The alignment of housing with economic growth potential will be delivered through strengthened collaborative working. As a result of this, a range of options are being explored, which will create solutions to help us to address the shortfall in housing supply.

9.9 The LIP will evolve over a period of time and the Plan outlines a number of actions, which will drive the development and delivery of a new way of working over the duration of the planning period 2011-2015. We are therefore seeking adoption of this strategic approach in order to support the ongoing development of collaborative work across the sub region.

10.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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